

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF TRACFONE WIRELESS, INC.	)	
FOR DESIGNATION AS AN ELIGIBLE	)	
TELECOMMUNICATIONS CARRIER IN THE	)	CASE NO.
COMMONWEALTH OF KENTUCKY FOR THE	)	2009-00100
LIMITED PURPOSE OF OFFERING LIFELINE	)	
AND LINK UP SERVICE TO QUALIFIED	)	
HOUSEHOLDS	)	

O R D E R

On March 5, 2009, TracFone Wireless, Inc. (“TracFone”), a wireless carrier providing service solely through resale,<sup>1</sup> filed with the Commission a petition under 47 U.S.C. § 214(e)(2) seeking designation as an Eligible Telecommunications Carrier (“ETC”) to receive low-income federal universal service support for service offered throughout the Commonwealth of Kentucky.<sup>2</sup>

The petition states that: (1) TracFone meets all the requirements for designation as an ETC in Kentucky;<sup>3</sup> (2) TracFone requests designation throughout all of the areas within its service coverage;<sup>4</sup> (3) in accordance with 47 U.S.C. § 214(e)(2), TracFone

---

<sup>1</sup> TracFone provides service in Kentucky by reselling services of underlying network carriers, including Alltel, AT&T Mobility, Bluegrass Cellular, T-Mobile, and Verizon Wireless. Petition at 2, 12.

<sup>2</sup> TracFone states that its authorized service area covers the telephone company service areas of all incumbent carriers in Kentucky. Petition at 17.

<sup>3</sup> Petition at 1, 4.

<sup>4</sup> Petition at 17.

seeks to be designated as an ETC for both rural and non-rural wire centers;<sup>5</sup> and (4) designation of TracFone as an ETC in Kentucky will serve the public interest.<sup>6</sup>

In the ETC petition, TracFone states that, although it is not a facilities-based provider, the Federal Communications Commission (“FCC”) granted its request for forbearance from certain ETC facilities rules and allowed it to be designated as an ETC.<sup>7</sup> In responding to this Commission’s April 23, 2009 data request, TracFone states that, because it serves as a prepaid wireless provider, it does not issue bills and, therefore, is not obligated to collect fees for the Kentucky Universal Service Fund (“USF”), the Telecommunications Relay Service (“TRS”) fund, or the Telecommunications Access Program (“TAP”) fund from its end-users and will not be contributing to those funds.<sup>8</sup> TracFone also notes that it will not seek to draw financial support from the Kentucky USF.<sup>9</sup>

On May 15, 2009, TracFone filed a Petition for Waiver, wherein it requests that the Commission set aside the annual audit requirements. In the request for a waiver, TracFone contends that the company anticipates having at least 30,000 Kentucky Lifeline customers in 2009 and an additional 150,000 Kentucky Lifeline customers in 2010 and that obtaining proof of eligibility from each customer, as required by the Commission for all Kentucky ETCs, would place an undue financial burden on

---

<sup>5</sup> Petition at 18.

<sup>6</sup> Petition at 18, 26, 27.

<sup>7</sup> Petition at 4, 5.

<sup>8</sup> Response to Commission Data Request at 7a and 8a. Filed May 15, 2009.

<sup>9</sup> Id. at 9.

TracFone's low-income wireless program. TracFone also states that the annual audit requirements are inconsistent with the Commission's eligibility certification criteria. TracFone requests that the Commission allow it to use an alternative verification process, such as conducting a semi-annual audit.<sup>10</sup>

Prior to rendering a final decision in this matter, the Commission seeks comment on TracFone's petition from the telecommunications industry and the general public. The members of the industry and the general public may submit any comments relevant to the Commission's consideration and review of any portion of TracFone's petition, including but not limited to the Petition for Waiver and financial contributions to the USF and TRS and TAP funds. The Commission will also allow an opportunity for the submission of requests for a public hearing in this proceeding.

IT IS THEREFORE ORDERED that:

1. Comments on the petition shall be filed no later than October 2, 2009.
2. Requests for a public hearing in this matter shall be filed no later than October 9, 2009.
3. If no requests for a public hearing are filed, additional comments on the petition shall be filed for the Commission's consideration no later than October 16, 2009.
4. The Executive Director shall serve copies of this Order upon all Kentucky incumbent local exchange providers, as provided in Appendix A.

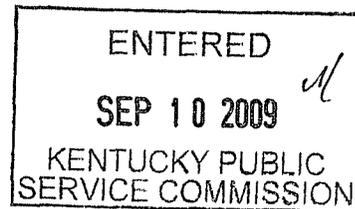
---

<sup>10</sup> The Commission's audit requirements were outlined in Administrative Case No. 360, *An Inquiry into Universal Service and Funding Issues* (Order dated May 24, 2007).

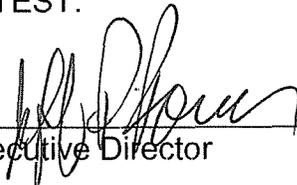
5. The Executive Director shall serve copies of this Order upon all Kentucky ETCs, as provided in Appendix B.

6. The Executive Director shall serve copies of this Order upon the Kentucky Telephone Association.

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00100 DATED **SEP 10 2009**

Kentucky Incumbent Local Exchange Carriers

The Executive Director shall serve copies of this Order upon the following:

Ballard Rural Telephone Cooperative  
BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky  
Brandenburg Telephone Company, Inc.  
Cincinnati Bell Telephone Company  
Duo County Telephone Cooperative Corporation, Inc.  
Foothills Rural Telephone Cooperative Corporation, Inc.  
Gearheart Communications Company d/b/a Coalfields Telephone Company  
Highland Telephone Cooperative, Inc.  
Leslie County Telephone Company, Inc.  
Lewisport Telephone Company, Inc.  
Logan Telephone Cooperative, Inc.  
Mountain Telephone Cooperative, Inc.  
North Central Telephone  
Peoples Rural Telephone Cooperative Corporation, Inc.  
Salem Telephone Company  
South Central Rural Telephone  
Thacker-Grigsby Telephone Company, Inc.  
West Kentucky Rural Telephone Cooperative Corporation, Inc.  
Windstream Kentucky East, LLC  
Windstream Kentucky West, LLC

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00100 DATED **SEP 10 2009**

#### Kentucky Eligible Telecommunications Carriers

The Executive Director shall serve copies of this Order upon the following:

SouthEast Telephone, Inc.  
e-Tel, LLC d/b/a e-Tel Murray, LLC  
NPCR, Inc. d/b/a Nextel Partners  
North Central Communications, Inc.  
Norlight, Inc. d/b/a Cinergy Communications  
Bluegrass Wireless, LLC  
Kentucky RSA #4 Cellular General Partnership  
Kentucky RSA #3 Cellular General Partnership  
Cumberland Cellular Partnership  
East Kentucky Network d/b/a Appalachian Wireless  
American Cellular d/b/a AT&T Mobility  
Budget Pre-pay, Inc. d/b/a Budget Phone  
Dialog Telecommunications, Inc.  
South Central Telecom, LLC  
Nexus Communications, Inc.  
1-800-Reconex, Inc. d/b/a USTel  
Midwestern Telecommunications, Inc.  
West Virginia PCS Alliance, L.C. d/b/a NTELOS  
Global Connection Inc. of America  
TVD Broadband Services, LLC  
Cumberland Cellular, Inc. d/b/a Duo County Telephone  
dPi-Teleconnect, LLC c/o TCS  
Lifeconnex Telecom, LLC  
BLC Management LLC d/b/a Angles Communication  
New Talk, Inc.  
Everycall Communications, Inc.

Mitchell F Brecher  
Greenbert Traurig, LLP  
2101 L Street, NW, Suite 1000  
Washington, DC 20037

Mark David Goss  
Frost, Brown, Todd, LLC  
250 West Main Street  
Suite 2700  
Lexington, KY 40507

Debra M Mercer  
Greenberg Traurig, LLP  
2101 L Street, NW, Suite 1000  
Washington, DC 20037